

Comments Regarding Mercury Emissions
for Public Hearing
Mayor Kevin Crawford,
City of Manitowoc
October 3, 2001

I would like to thank you for the opportunity to provide comments regarding the revision of Chapter NR446, Wisconsin Administrative Code, pertaining to a proposed rule to limit mercury emissions into the ambient air thereby reducing atmospheric deposition which contributes to bioaccumulation of mercury in fish in Wisconsin waters.

If I thought that the proposed rule was either good for the families of the State of Wisconsin or for the fish of Wisconsin's waters, I would not be speaking here today. Allow me to introduce myself. My name is Kevin Crawford. I have been the Mayor of the City of Manitowoc since 1989. I am married to Karen and together we have three (3) children, Shane, Adam and Abby. Manitowoc is my home town, and both my family and my wife's family have settled there.

As you may know, Manitowoc is a port city and home to a 225 slip marina, with several charters and many private fishing boats operating out of our harbor every day "in season.

Fish and fishing are important to our city. So are fish consumption advisories. However, since 41 other states (according to the Wisconsin DNR) issue some advisories regarding mercury, I believe that the potential negative impacts associated with fish consumption advisories may be overestimated.

Manitowoc is also home to Wisconsin's largest municipally owned electric generating facility. Manitowoc Public Utilities (MPU) generates 108 megawatts of electricity. Our generating facilities range from diesel driven turbines, to coal burning over-feed boilers, to an atmospheric circulating fluidized bed boiler that burns petroleum coke, to a natural gas and diesel burning 24 megawatt combustion turbine. On average we produce 50% of the power used by the citizens and businesses of our city, and purchase the remaining 50% off the grid. Our largest contract for purchase of power is with Wisconsin Public Service Corporation. Although, throughout the summer, we are forced on many occasions to make purchases on the spot market.

In the City of Manitowoc the Mayor, by virtue of office, is a member of the Manitowoc Public Utilities Commission. As a utility commissioner, I am usually far more aware of state and federal issues that might have impact on electric generating facilities, and in particular, on our own utility.

So, it was with great amazement that I received the information regarding the Wisconsin DNR's proposed rule to limit mercury emissions by 90% within 15 years of implementation. The information regarding the rule was shared at a meeting of the Clean Air Act Task Force (of which I am a member) that occurred early this year in Madison. It was at this meeting of the Task Force

that Lloyd Eagen, Manager of Air Quality for the State of Wisconsin, discussed the fact that this rule would be brought before the DNR Board and that the public hearing process would begin.

At that meeting I asked Lloyd what the positive impact would be on the reduction of mercury in fish living in Wisconsin's waters, including Lake Michigan, if the 90% rule were implemented. The response was that there is no calculable impact because mercury deposition is interstate and international. Therefore, reducing Wisconsin's mercury emissions will not have a measurable effect on the bioaccumulation of mercury in fish in Wisconsin's waters.

After that discussion with Ms. Eagen, I made the point that any such rule would cause a heavy burden on Wisconsin's solid-fuel burning utilities, including MPU. I pointed out that this is a pivotal time in the history of our State's electric utilities in regard to being able to provide adequate energy for our State's families, businesses and industries. I even went so far as to recommend that no additional air quality regulations regarding electric generating plants be added to the lengthy list of regulations now in place until such time that additional generation and transmission is added to Wisconsin's resources that would guarantee an adequate supply of electricity at an affordable rate to our citizens.

In specific regard to this matter, in June I was one of five mayors invited to meet with Andrew Lundquist, the person appointed by President Bush to serve as executive director of the National Energy Policy Development Group (NEPDG). Other mayors included in this discussion were the mayors of Garland Texas, Colorado Springs Colorado, Provo Utah, and Santa Clara California, all mayors of cities whose citizens have been devastated by substantial to astronomical increases in the retail cost of electric power. The specific reason the mayor of Manitowoc was included in this discussion regarding our national energy policy was due to the known tenuous situation that exists here in our state as a result of transmission constrictions and lack of enough generation to serve our native load.

Wisconsin's situation was no secret to Mr. Lundquist and others attending the meeting for the administration. Before the meeting concluded, Mr. Lundquist agreed that no moves could be made toward an open retail market in Wisconsin until a vigorous wholesale market has been established through substantial additions to inbound transmission lines and until many new generating facilities have been built. I made the point to Mr. Lundquist that the additional generation cannot uniquely be natural gas based as reserves for this fuel are limited and the cost for production of electricity using natural gas is far too great for the citizens of our state to be able to afford. He agreed, admitting that there is a substantial need for solid-fuel generating facilities not only in the Midwest, but throughout the nation.

56% of Wisconsin's electric energy demand is satisfied by solid-fuel electric generating plants.

My encouragement for the Wisconsin DNR today is to not allow for revision of Chapter NR446 regarding the proposed rule to limit mercury emissions.

Public and private utilities have banded together to work with the DNR regarding this matter and have come up with a voluntary solution to at least a portion of the mercury emissions problem. The City of Manitowoc and the Manitowoc Public Utilities support a workable mercury program that would employ a two (2) step reduction process resulting in a 10% reduction over 5 years and a 40% reduction over 10 years. I believe that the voluntary reduction program would be good for the State of Wisconsin as we await the federal regulations on mercury emissions that are to be proposed by the US EPA in 2003 with final rules coming in 2004.

The 30, 50, 90% mercury emissions reduction rule employed over a course of 15 years would severely hamper the growth of the State of Wisconsin and the quality of life for our people. Such a rule could well force the shut-down of existing solid-fuel plants as well as make utility developers think twice about building new generation in our state. This coupled with the inability to build new transmission into the State of Wisconsin would severely reduce available electric resources while, at the same time, driving rates sky high as a similar scenario recently has in the State of California.

To that point, the State of California and the western grid do not uniquely comprise our nation's only broken electric market place. Wisconsin's market place is broken as well, the stuff has just not hit the fan here yet.

I would like to provide you with some facts in regard to what it is like for any utility to purchase power on the market on a summer day when the State of Wisconsin is suffering due to a lack of native generation to supply its needs while at the same time being crippled by a transmission constriction that keeps low-cost electricity away from our State's consumers.

During the summer of 1999, Manitowoc Public Utilities had to purchase power on the spot market at a rate of \$5,200 per megawatt hour. Currently, the City of Manitowoc's Manitowoc Public Utilities generates power at a rate of approximately \$30 per megawatt hour. Lack of native generation, coupled with transmission constrictions, forced us to buy this exceptionally expensive power. It cost our rate payers an additional \$1.2 million in just two (2) days.

This mercury rule will have a devastating effect on our State's ability to supply electricity to families, businesses and industries, particularly on Wisconsin's east coast.

I urge the Wisconsin DNR to suspend the creation of such a rule until the EPA drafts appropriate regulations that deal on a national level with mercury emissions. I also urge the DNR to reconsider the offer made by Wisconsin's utilities to provide a voluntary 40% reduction strategy over 10 years. These or similar steps will help insure reliable, low-cost power for the State of Wisconsin.

If the Wisconsin DNR employs as severe a mercury rule as it is now considering, the supply of electricity for our fellow citizens will be dramatically limited. At the same time the rates they would pay for their electric power will be so high that the families of our state may be forced to make financial decisions as to whether or not to supply electric power in their homes or buy ties for their children.

We always hear that in the "long run" energy prices will bottom out and stabilize, but I need to remind you that the families that I humbly serve in the City of Manitowoc do not live in the "long run", but rather they live in the here and now.

Thank you very much for your valuable time. I will be happy to answer any questions that you may have regarding this discussion.